Land and Water British Columbia Inc.
A corporation of the government of British Columbia

A YEAR IN REVIEW

2003/2004

Land and Water British Columbia Inc. (LWBC) has again exceeded the challenge outlined in the New Era Commitments of facilitating economic development by substantially increasing access to Crown land and water resources. LWBC has eliminated the backlog in land and water applications, achieved sales and expenditure targets, exceeded deregulation targets and greatly improved service and value to its clients.

Increase in Tenure and Licence Activity:

- **504 new water licences issued – 2.5% increase over the previous year** for a two year total of 996 water licenses which represents an increase of 18.4% over the previous two year total.
- **3,000 replacement land tenures issued – 48% increase over the previous year** for a two year total of 5,020 which represents an increase of 1,636 over the previous two year total of 3,384
- **737 water licence amendments completed – 6.7% increase over the previous year.**

Elimination of Backlog and Delays:

- **Historic land application backlog of 1583 applications has now been eliminated**.
- **Historical water licence application backlog of 906 applications has been reduced by 99% to 22 applications.**
- Referral agreements have been established with provincial agencies to streamline decision making.

Land and Water Application Processing:

- Redesigned and integrated application process to achieve 50% reduction in processing time and more streamlined process for clients.
- **97% of new land applications are now processed within 140 days**. Average processing time for a land application is now less than 100 days – down from 300 days.
- **97% of new water licence applications are now processed within 140 days**. Average processing time for a water licence application is now 91 days - down from more than 5 years.
- Exceeded the 90% target for processing land replacement tenures prior to the expiry date.

Land Sales Activities:

- **71 MLS + 26 RFP for a total of 97 marketing sales completed – an 8% increase over 2002/03.**
- **Land sales activities produced $395 million in new capital investment; 5,782 person years of construction employment; and 1,684 years of on-going employment.**

Revenue/Expenditures:

- **Projected transfer to the Province of $93 million – an increase of $38.4 million over previous fiscal year.**
- **$125.2 million generated in sales and tenure management activity – an increase of $46.4 million over previous fiscal year**.
- Net profit of $6.5 million for year ending March 31, 2004.
- Met current expenditure limit of $31.5 million.

- Implemented new procedures for revenue collection; 90-95% of new invoices are collected within 90 days.

Water program:

- Realigned and integrated water licence activities with land tenuring program to gain efficiencies and provide better client service.
- Developed new integrated land and water process and guidebook for water power projects.
- Water rights for eight major water power facilities clarified to provide more certainty and clarity for current use and ensure a balance between environmental and economic objectives.
- Approved the development or expansion of 16 private water utilities which supported $8 million in lot sales and golf and ski resort construction.
- Approved 16 Independent Waterpower Projects which will generate capital investment of $453 million and contribute to the overall energy needs of the province, by producing 238 MW. This includes the 112 MW Forrest Kerr project which has an estimated investment of $195 million.

Economic Development/Major Projects:

- 27 new shellfish tenures issued (13 to First Nations) that resulted in a 9% increase to the amount of Crown land under shellfish tenure.
- 74 wind power investigative permits issued, acting on government's commitment to promote clean and renewable alternative energy sources – an increase of 19 over previous fiscal year total of 55.
- Provided support to the 2010 Olympic bid by committing lands and reserving water for priority uses.
- Approved a new commercial snowcat skiing business opportunity as an outcome of a competitive marketing process conducted for the North Central Monashees. At final build-out, this business will create approximately 27 full time winter jobs with about $1.5 million in capital investment.
- Completed and tenured the Omega fish hatchery at Ocean Falls. This project resulted in 40 new jobs being created and $12 million in capital investment.
- Facilitated resolution of the issues concerning the Capital Regional District's current and future water supply needs, and fishery flow requirements with Fisheries and Oceans Canada, Capital Regional District, T'souke First Nation, Sooke Watershed Society and the Ministry of Water, Land and Air Protection. Water licences were issued and will provide for storage, waterworks and conservation purposes.
- Issued a heli-ski tenure in the Bella Coola Valley and a film tenure near Prince George. Project brought in $5 million to the local economy.

Rural Resort Development:

- Finalized and signed the Master Development Agreement (MDA) with Sunrise International, the developer of a four season resort and gondola on Canoe Mountain near Valemount.
- Completed Crown grants for Sun Peaks Resort and Big White Resort which have resulted in $168 million in capital expenditure and 900 construction-related jobs.
- Completed a Crown grant to facilitate construction of a multi million dollar heli-ski lodge at Mica Creek near Revelstoke.
- Finalized and signed the MDA for Crystal Mountain.
- Finalized and signed the MDA for the Hemlock ski hill.

Encouraging Commercial Recreation Compliance:

- Strengthened the working relationship with the commercial recreation industry through establishment of a joint LWBC-industry steering committee.
- Joint development and implementation of the Commercial Recreation Tenure Incentive (CRTI) program to address industry's concerns that unauthorized operators were creating an uneven playing field for the tourism sector on Crown land.
- CRTI program attracted 287 tenure applications from 259 companies over 11 months. This represents a 45% reduction in trespass and a corresponding increase in overall compliance with the *Land Act* and Commercial Recreation (CR) Policy by tourism operators in British Columbia.
- Established regionally based compliance and enforcement officers and new supporting manuals and policies.
- Created comprehensive database of tourism companies operating on Crown land that will facilitate future compliance and enforcement activities.

First Nations:

- To date, 17 Aquaculture MOUs with various coastal First Nations signed.
- Negotiated with, and supported, Ministry of Transportation, Sea-to-Sky Highway Upgrade Project Agreement in Principle with Squamish and Lil'Wat First Nations. Final agreement negotiations underway.
- Implemented the commitments made under the Memorandum of Agreement with the Snuneymuxw First Nation regarding the Nanaimo Estuary.
- **Accommodation Agreements Offered:**
  - **Douglas Lake Ranch** – supported Ministry of Forests in formulating and making an offer to interior First Nations. Offer rejected, sale proceeded. Discussions continuing.
  - **Garibaldi Ski Resort Development** – accommodation package offered to the Squamish First Nation.
  - **UEL Golf Course** – accommodation package offered to the Musqueam Indian Band.
  - **Bridgepoint Casino Development** – accommodation package offered to the Musqueam Indian Band.
  - **Edwards, Suzanne and Northstar Lakes** - accommodation offer relating to the sale of some recreational lots in the Kootenays made to the Tobacco Plains Indian Band.

Client Service:

- Implemented a faster and more integrated application process.
- Established integrated standardized business rules across the Corporation.
- Streamlined billing for major clients is now in place.
- LWBC's website was redesigned allowing for more interactive service delivery.
- All tenure and sales decisions are posted on LWBC's website.

REGIONAL ACCOMPLISHMENTS

Vancouver Island

- Completed the **North Island Straits Plan** in conjunction with the Ministry of Sustainable Resource Management and the Regional District of Mt. Waddington. This plan identifies economic development opportunities which should result in new capital investment and jobs to the north island.
- **Duke Point**: In 2003/04 LWBC sold two lots zoned Heavy Industrial at Duke Point in Nanaimo where an estimated $1 million will be spent on job creation developments. Thirteen remaining lots are being actively marketed in this fully serviced Industrial Park.
- Entered into a **Memorandum of Understanding with the Town of Ladysmith** regarding the creation of an industrial park on Crown land at Peerless Road.
- Offered an innovative head lease to the **Village of Gold River** which provides the community to effectively expand industrial or commercial opportunities.
- Completed an agreement-in-principle with respect to the provisions of a new head lease with three north island First Nations to allow them to jointly manage **Hanson Island**. This arrangement was agreed to as an accommodation agreement with respect to the Central Coast LRMP.
- Completed negotiations with the Nanaimo Port Authority to replace the head lease over the south portion of the **Nanaimo River Estuary**. This agreement provides certainty to the operational needs of several forest product mills in Nanaimo.
- Three tenures issued for **Water Power Projects.** If development proceeds as planned, these projects should result in a direct investment of approximately $23 million over the next two years.
- 30 investigative permits were issued to the growing **wind power industry** along with eight licences of occupation for longer term monitoring sites.
- A Licence of Occupation issued for **Eagle Rock Aggregates** to facilitate the development of a major rock quarry. Negotiations continue regarding royalty provisions for a long term lease.
- Sale of a log sort to Timber West at Menzies Bay to secure land for conservation purposes for the Nature Trust at **Englishman River** was successfully completed.
- Resourced the remediation of a controversial trespass near **Tofino-Ucluelet Junction** which may have posed a long term threat to Ucluelet drinking water aquifer.
- Assisted **BC Ferry Corporation and BC Transportation Financing Authority (BCTFA)** in the transfer of all core ferry terminal lands to BCTFA as part of the restructuring of BC Ferry Services.
- In 2003/04 LWBC issued 51 offers for commercial recreation tenures following completion of the **CRTI Program**. This initiative increased the number of authorized CR business operators to 80 representing a 46% reduction in suspected non-compliant use of Crown land by CR operators. In order to provide clarify regarding the CR Program, met and exchanged information with the Regional District of Alberni-Clayoquot, Regional District of Cowichan Valley, the District of Port Hardy and the Sayward Futures Society.
- **Relocated or remediated eight salmon farms** on the relocation list. To date 22 of 32 farms have been relocated or remediated, one application to relocate is in process and industry is working with First Nations to complete management plans on the remaining nine.
- **Tenured six new finfish aquaculture sites**, five on the north and central coast – all joint ventures between industry and First Nations.
- **23 new shellfish tenures issued – 15 of these to First Nations**: resulted in a 9.4% increase to the amount of Crown land under shellfish tenure. Furthermore, an additional five sites were reserved and set aside for future applications by First Nations.
- **Sooke Reservoir**: a new water storage licence was issued to the **Capital Water District** built on a multi-agency (local, federal and First Nations governments) approach to problem

solving. This licence provides authorization to store a greater volume of water and therefore increased certainty for the Greater Victoria water supply.

- **Lannan Road Site:** sale completed to Silverado Land Corporation March 31, 2004, at $1.061 million.

Lower Mainland

- Exceeded **Royalty Revenue Target** by $600,000.
- Land and Water Management Division exceeded **gross sales target** by over $2.6 million.
- Land and Water Targets:
  - 100% of all **new land and water applications** were completed in 140 days;
  - 61% of **backlog water amendments** were completed (exceeded the target of 30%); and
  - 100% of **backlog applications** were completed.
- **Fraser Valley Gravel Strategy:**
  The province approved the extraction of 780,000 cubic metres of gravel and Fisheres and Oceans Canada (DFO) 460,000 cubic metres. While only 185,050 cubic metres was actually extracted (some areas were not economically viable and/or approvals were received too late) this represents progress towards the objective of annual extractions. DFO has agreed to work with the province, First Nations, local governments and the Fraser Basin Council to develop a five-year gravel management plan to avoid annual reviews and delays. The removal of gravel will help address flood concerns, restoration of historical First Nation fishing sites, and improvement of navigation.
- **Water Power Projects:** issued five water power project tenures. The tenures support the Province's new energy policy and BC Hydro's search for new sources of energy to fuel BC's energy needs. These five tenures will represent a direct investment of approximately $120 million.
- **University Endowment Lands, Block G:** successfully completed sale for $6.9 million and will see construction for multi-family and affordable housing.
- **University Golf Course:** completed sale to University of British Columbia (UBC) for $12 million to enable UBC to incorporate new recreational programs.
- **Pemberton Benchlands Phase 1:** Pemberton is one of the fastest growing communities in the province, and has a shortage of building lots. In response, LWBC has sold, by public competition, the first phase of the Pemberton Benchlands residential project. The purchaser will develop 54 lots, and build road access to the next phase of the project. An offer has been accepted at $2.2 million, and the expected capital investment is $20 million.
- **McLellan Pit:** collaborated with the City of Surrey to provide a headquarters site for an international security company. The City and LWBC held adjacent properties in south Surrey; both were required to make a workable building site. The Crown parcel sold at the market value of $340,000, with an expected capital investment of $1 million.
- **Hemlock Valley Resorts MDA:** a 50 year MDA was signed with Hemlock finally putting to an end years of uncertainty around the development of the Hemlock Ski Hill. The certainty provided by the MDA will allow for new investment and expansion.
- **Squamish Land Exchange:** LWBC addressed all outstanding issues associated with the Squamish Land Exchange which saw land transferred between the province, BC Rail, the Squamish First nation and a forest industry company. The resolution of these long outstanding issues was part of the sale of BC Rail, allowed certainty to the forest industry and ensured the establishment of a Wildlife Management Area.
- **617 Lands (PNE Site):** site sold to Wesgroup Investments Ltd. for $10 million and BC Transportation Financing Authority for $2 million – total sale of $12 million.
- **Burke Mountain:** sold 82 acres of prime residential land in north east Coquitlam for $36 million. Job creation through construction and infrastructure will inject over $1 billion into the local economy over build out, roughly 20 years.
- Joint Venture residential development agreement for **Intrawest Subdivision** at Whistler signed February, 2004.

North

- Revision to the **Extensive Agriculture Lease Policy**: Linked to the policy is the "Sale of Agriculture Leases" utilizing a market value approach for the standing timber. At the end of 2003/04, 12 leases sold with revenues exceeding $2 million, five applications in process. The pilot has been expanded to all agricultural leases throughout the province.
- MDA for **Canoe Mountain** near Valemount signed December 6, 2003. Implementation of the MDA has now commenced.
- Sold 98 properties.
- Completed competitive process for a large scale gravel project at **Swamp Point** which will provide 500,000 to 3 million cubic metres of gravel annually to the United States market. Estimated capital investment of $5.5 million to $80 million once land and foreshore development completed.
- **Northeast gravel initiative:** LWBC partnership with the Ministry of Energy and Mines, New Venture Branch, to facilitate timely tenuring of gravel extraction required for road infrastructure development in the oil and gas sector. Also includes the creation of a gravel source database around the Town of Fort Nelson.
- Initiated 35 new development projects.
- 52 new properties for uses including commercial, industrial and residential development added to the inventory at a value of approximately $6.3 million.
- Initiated a Strategic Planning Project for approximately half of the Cariboo to create an inventory of marketable properties. The inventory will ultimately provide for faster access to Crown land and an enhanced revenue and economic return to the Province. Partners currently include local government and the Ministry of Agriculture, Food and Fisheries.
- Draft agreement completed for **Terrace Airport Lands** with the City of Terrace.
- **Prince George Place:** sold key strategic site for the development of a new hotel and relocation of a casino. Sale price $4.861 million.

South

- A land use review was completed over all remaining parcels of Crown land located in the south **Okanagan valley** to address conflicting priorities between the Ministry of Water, Land and Air Protection and LWBC. This review identified approximately 100 ha of land available for disposition to various interests including the wine and fruit growing industries.
- Issued 13 Investigative Permits for **wind power projects**.
- Issued three water power project tenures and made an offer on a fourth which will result in over $7 million worth of construction when these projects proceed.
- Approved a new commercial snowcat skiing joint venture between First Nations and private business as an outcome of a competitive marketing process conducted for the **North Central Monashees**.
- **Land Inventory Plan:** Partnership with the Thompson-Nicola Regional District to identify Crown land opportunities on development and general use lakes throughout the Regional District and establish development guidelines for lakefront properties. Estimated investment over the next 20-25 years is estimated at $2 billion, primarily from the development of residential subdivisions and commercial tourism facilities.
- **Montana Lake Cluster:** shoreland development guidelines approved by Thompson-Nicola Regional District to enable $20 million of land inventory to be marketed over several years. This is a specific project resulting from the broader land inventory plan.
- **Mt. Dufferin:** In partnership with BC Buildings Corporation, successfully marketed this phased development property for $2 million. Estimated investment over the next five to ten years is estimated at $63 million, through the development of residential properties.
- **Golden Visitor Centre:** Partnership arrangement announced.

- **West Kootenay Land Inventory:** partnership underway with Arrow Lakes Transportation Infrastructure to identify 1,000 recreational lots and two major development projects.
- **Summerland Golf:** License Agreement for $40 million development signed.
- Rezoning bylaw approved to allow development at **Mt. Seven (Golden)** of 78 single family and 24 multi-family residences. In addition to direct revenue to the province, this will provide multi-year economic benefit to the community.
- **Crystal Mountain:** MDA completed.

Provincial

- Established a new **"All Seasons Resort"** program to act as a single point of contact for industry and to support the BC Resort Task Force and new Minister of State for Resort Development.
- **Eliminated 542 regulations**, which exceeded deregulation targets, bringing total number of regulations eliminated to 803 – 106% of LWBC's multi-year deregulation target.
- Developed and implemented a **Provincial Drought Response Action Plan.**
- Worked with local governments to identify community growth and investment opportunities on Crown land.
- Established a single path of accountability for **major utility clients.**
- Implemented a **compliance and enforcement strategy** to create improved capability to reduce unauthorized use and ensure the rights of both tenure holders and the province are equally recognized and respected.
- Implemented **dam safety compliance strategy** and ensured compliance by "very high" consequence dam owners. Developed dam safety audit program and held information workshops on dam safety throughout province.
- Completed a **pilot project for consolidated billing**; in place with two major corporate clients. This service will be offered to other major clients during 2004/05 and will result in corporate clients who have numerous tenures across the province having the option of receiving one consolidated invoice for all tenure holdings per month, reducing the number of payments that have to be made.
- Developed a business case for a **new business model for the Corporation** which will fully integrate the land and water functions. This new business model took effect April 1, 2004 and will enable the Corporation to fully integrate the land and water application forms, and will ultimately lead to further efficiencies